

## **AFRICAN AMERICANS AND THE PRESIDENT'S BUDGET: FISCALLY RECKLESS, MORALLY IRRESPONSIBLE, AND A FAILURE OF LEADERSHIP**

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Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish and the promises made. The Republican budget fails in every respect. It is fiscally reckless, adding trillions to the deficit over the next 10 years. It is morally irresponsible, slashing funding for key education, health care, job creation, and public safety and security programs. And the Bush Administration's failure to include details of its Social Security privatization proposal and the cost of the war in Iraq is a clear failure of leadership. Democrats are fighting to restore fiscal responsibility and hold those in power accountable for their actions. We are committed to upholding our shared values that are the foundation of a strong and secure middle class: safety and national security, prosperity, community, fairness, accountability and opportunity.

**No action on job creation, with 1.8 million African Americans still seeking work.** The unemployment rate among African Americans remained over 10.5 percent last month – remaining at levels not seen since 1997. The Bush budget squanders an additional \$1.6 trillion over the next 10 years on more tax cuts for the wealthy, but does little to create good-paying jobs here at home. And these tax cuts will squeeze out a range of programs to help create new opportunities, support strong national security, and restore prosperity.

**Cuts funding for small businesses.** There are more than 820,000 African American owned small businesses. The budget cuts funding for the Small Business Administration, which helps minority-owned small businesses grow, by \$85 million from last year's proposal. The budget also provides no resources for the Microloan program, even though this program is critical to aiding minority communities by supplying small loans to start up newly established and growing small businesses.

**Denies job training opportunities.** Some African American workers lack the academic preparation and skills training needed for economic success. Yet the Bush Administration shortchanges the job training needed to create new opportunities. The budget cuts job training services by about \$280 million and block-grants the adult, youth, and dislocated worker programs and the Employment Service program, jeopardizing critical training resources and particularly harming dislocated workers and at-risk teenagers. The budget cuts other job training and related programs, including trade adjustment assistance, veterans' training, vocational rehabilitation, and adult education by about \$300 million.

**Breaks the promise of a better education.** More than 15 percent of African Americans over the age of 25 do not have a high school education. The budget provides \$12 billion less for education than was promised in the No Child Left Behind Act, leaving 3 million children without the help with reading and math that they were promised under Title I, and cuts Education Department funding below this year's level.

**Guts Head Start.** There are 324,700 African American children being served through Head Start, but the President's budget eliminates the comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the budget freezes Head Start funding at this year's level, meaning that 25,000 children will have to be cut from the program next year.

**Eliminates educational help to succeed in high school and college.** Only 17 percent of African American adults have their bachelor's degree, and yet the budget completely eliminates the \$306 million GEAR-UP, \$313 million Upward Bound, and \$150 million Talent Search programs, which ensure that high-risk students succeed in high school and move on to college. As a result, about 1.3 million students – 70 percent of whom are minorities – will lose support they need to make it to college. Despite skyrocketing college costs, the Bush Administration has broken the promise to raise the maximum Pell Grant to \$5,100, and proposes to force the typical student borrower to pay \$5,500 more for college loans.

**Fails to make healthcare affordable.** There are 7.4 million African Americans without health insurance and millions more who can barely afford to pay their premiums. However, the budget does not improve access to health care. Instead, it cuts \$60 billion from Medicaid, decimating health care funding for children, the elderly, and people with disabilities and making it even harder for families to afford nursing home care. These cuts will shift in costs to states and beneficiaries, cuts payments for providers, which will undermine their ability to provide care, and increase the number of the uninsured. While the Bush budget claims to reinvest \$15 billion of the \$60 billion in cuts back into Medicaid, the bulk of that spending is from an “outreach initiative” which is unlikely to ever produce any new coverage, as many states have moved to make it more difficult for families to enroll.

**Cuts Office of Minority Health.** African-American men suffer from heart disease at nearly twice the rate of whites and those under 65 suffer from prostate cancer at nearly twice the rate of whites. And yet, the President’s budget makes a six percent cut in the Office of Minority Health, which supports disease prevention, health promotion, and educational efforts that focus on health concerns that cause the high rate of disease in racial and ethnic minority communities.

**Demonstrates a failure to lead on Social Security.** Despite the fact that the President has called his proposal to privatize Social Security his top domestic priority this year, his budget includes no details on his plan. His failure to provide a clear and honest accounting of the difficult trade-offs between increases in the debt, benefit cuts, and tax increases necessary to fund the White House's privatization proposal is a failure of leadership. There are 4.7 million African Americans who receive Social Security benefits, and Social Security provides about three-quarters of all retirement income for African American seniors. Democrats stand ready to address the challenges facing Social Security, but the President must put forward a proposal that is fiscally responsible, fair, and does not slash benefits.

**Slashes programs for revitalizing communities.** The President’s budget slashes funding for community and economic development programs that provide housing, employment counseling, water and sewer improvements, and small business loans by \$2 billion – a 30 percent cut in funding. These cuts will particularly affect seniors, people with disabilities, cities, and rural communities.

**Cuts funding for first responders.** More than 100,000 African Americans stand on the front-lines around the country as police officers, firefighters, and first responders. Police departments do not have the protective gear to safely secure a site after the detonation of a weapon of mass destruction. And yet the budget includes a net cut in first responder funding within the Department of Homeland Security of \$302 million, and slashes aid to state and local law enforcement in the Justice Department, including the COPS program, which put more than 100,000 community officers on the streets.

**Leaves veterans and troops behind.** There are 2.5 million African American veterans. The budget raises health care costs for 2.2 million veterans, imposing new co-payments on prescription drugs and enrollment fees that will cost about \$2 billion over five years. It shortchanges veterans’ health care programs, providing \$3.5 billion less than veterans’ service organizations believe is needed, even as America welcomes a new generation of veterans home from Iraq and Afghanistan. The budget also fails to fund the promised increase in death benefits for families of our servicemen and women who are killed in action.

**Democrats have a better way.** Democrats insist upon fiscal discipline with budgets that pay as you go. In the coming months, we will fight for a national budget that reflects the shared values of all Americans: national security, prosperity, opportunity, fairness, community, and accountability.

